RV BUSINESS

NOVEMBER 1984 $2.00

W. EDWARDS DEMING
America's Sage On Quality In Production

Louisville Show Preview: Events, Floorplans, Listings

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RVB1184

RV BUSINESS

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ON THE COVER: The word "quality" and the name "W. Edward Deming" are practically synonymous in Japanese industry. With his philosophy finally being accepted by U.S. industry, Dr. Deming still preaches his message with evangelic fervor. Deming's views on quality begin on page 44. Photo: Bob Longsdorf. Type art: Future Fonts Inc.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	AUG '84	AUG '83	% CHANGE	1984	1983	% CHANGE	AUG '84	AUG '83	% CHANGE	1984	1983	% CHANGE
MOTORHOMES	116	114	+ 2%	874	842	+ 4%	80	94	–15%	645	532	+21%
TRAVEL TRAILERS	77	113	–32%	755	845	–11%	92	83	+11%	661	686	– 4%
TRUCK CAMPERS	13	25	–48%	150	125	+20%	14	20	–30%	163	161	+ 1%
CAMPING TRAILERS	145	169	–14%	1,449	1,268	+14%	43	30	+43%	262	254	+ 3%
FIFTH-WHEELS	29	24	+21%	288	226	+27%	11	17	–35%	80	63	+27%

	FOR MONTH			YEAR-TO-DATE		
	AUG '84	AUG '83	% CHANGE	1984	1983	% CHANGE
SALES VOLUME	$8,957,740	$8,541,848	+ 5%	$68,625,376	$61,513,429	+12%
TOTAL UNIT SALES	620	659	– 6%	5,327	5,002	+ 6%
NEW UNIT SALES	380	445	–15%	3,516	3,306	+ 6%
USED UNIT SALES	240	214	+12%	1,811	1,696	+ 7%

August was not a great month for the average dealer. Sales volume was up slightly over last August, but the upswing that was so prominent a year ago has definitely turned into a zigzag line.

Although these figures do not portray as rosy a picture as those of several months ago, disaster does not appear to be imminent. The period of leveling off that began about three months ago is continuing and will likely do so in the near future. Sales are good, but the boom is over for the time being.

Due to end-of-summer closeouts, profit ratings dropped significantly. Several members of the DAB reported that they were clearing out their lots. Used units fell dramatically from nearly 100 percent excellent ratings a year ago to only four this month. Many reasons for the leveling off are given. Quite likely, it is a combination of factors: The pent-up demand has been satisfied, more dealers are in the business, it was a hot summer and people are waiting to see what happens in November. Even with the tapering off, several dealers set new records in August. It is never an all or nothing game. The point is that, regardless of what others are doing, there's always the chance that some individuals will be outstanding.

MOTORHOMES

The very slight increase in new unit sales for the month seems strange after the long period of sharp upswing. Motorhome sales aren't down; the pie is being served to more eaters. Some dealers are complaining about poor grosses because of increased competition. A few are predicting widespread discounting as car dealers blow out inventory they are having trouble with.

For the first time in two years, some dealers are experiencing problems in moving used units. One DAB member reports Class A's impossible to move in his area. Others report reduced profits. There doesn't appear to be any big change ahead in the motorhome sales picture. Sales should be quite good overall.

TRAVEL TRAILERS

This is the only category to show a decrease in sales both for the month and year-to-date. Trailer dealers can't account for the fact that they are having a difficult time. Although a few are exceeding last year's sales, most are behind—some way behind.

Profits are down, too. More than 40 percent of the trailer dealers on the DAB reported new unit profits fair or poor. Used unit sales are holding up better but they are still down slightly for the year-to-date.

Travel trailer sales haven't gone to pot, but if the present trend continues, some dealers will have to downsize their businesses or look to other areas for additional business.

TRUCK CAMPERS

Sales tumbled for the month, but year-to-date, the figures still reflect a very positive picture. Both new and used unit sales fell in August; profits dropped, too. Campers are a specialty business. Not many dealers are willing to put the money and effort into them to do the job right.

CAMPING TRAILERS

After a generally good year, sales of new units dropped in August. Overall, the DAB's year-to-date figures indicate that folding camping trailers are enjoying a modest comeback.

A few large folding trailer specialists have had a banner year, but some who don't specialize but have strong departments in that type dropped significantly. Profits were rated fair to good.

FIFTH-WHEELS

In new unit sales, this is definitely the most positive category. The unit numbers aren't large, but the percentages are. Specialists are doing exceptionally well, most dealers who stock fivers seem to be doing a reasonably good job.

This category got more excellent profit ratings than any other category. Those that are sold bring good grosses.

With an increasing number of mobile-minded retirees, there's no reason to believe sales will go anywhere but up. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, AUGUST

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during August 1984 was 32,600 units, up 7.6% from August of 1983.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in August 1984		August 1983	Percent Change	Cumulative 1984	Cumulative 1983	Percent Change
TRAVEL TRAILERS	5,200	5,500	– 5.5%	56,200	52,200	+ 7.7%
FIFTH-WHEELS	1,400	1,500	– 6.7%	14,000	12,100	+15.7%
TRUCK CAMPERS	600	800	–25.0%	6,100	5,300	+15.1%
MULTI-USE VEHICLES	14,900	12,900	+15.5%	122,500	105,800	+15.8%
TYPE A: MOTOR-HOMES	4,100	3,100	+32.3%	29,600	21,700	+36.4%
TYPE B: VAN CAMPERS	300	200	+50.0%	5,200	3,400	+52.9%
TYPE C: MINI MOTOR-HOMES	2,500	3,200	–21.9%	25,200	21,200	+18.9%
FOLDING CAMPING TRAILERS	3,600	3,100	+16.1%	29,400	27,100	+ 8.5%
TOTALS	32,600	30,600	+ 7.6%	288,200	248,800	+15.8%